*Department of Transportation*

John Brazil, Bicyclist & Pedestrian Program Coordinator

June 29, 2005

Jackalyne Pfannenstiel, Vice Chair
California Energy Commission
1516 Ninth Street, MS-31
Sacramento, CA 95814-5512

DOCKET
03-AFC-2
DATE JUN 29 2005
RECD. JUN 29 2005

Re: Calpine Los Esteros Critical Energy Facility & Hwy 237 Bikeway

Dear Commissioner Pfannenstiel:

We thank the Commission for its interest in seeking expeditious repairs to the Highway 237 Bikeway. We share the Commission's concern and we are working diligently, with Calpine's full support and cooperation, to accomplish this task.

This letter acknowledges that Calpine continues to work in good faith with the City of San José to address repair needs on the portion of Hwy 237 Bikeway running along the southern border of the Los Esteros Critical Energy Facility.

The City of San José acknowledges and is satisfied with Calpine's offer to make a financial contribution towards repair costs of the Hwy 237 Bikeway. The City of San José is in the process of preparing a funding agreement to execute with Calpine. The City of San José intends to complete this agreement with Calpine in July 2005 and then apply Calpine's financial contribution toward Hwy 237 Bikeway repairs. The City of San José will identify additional funding sources to complete repairs.

Because the facility is a public bikeway within a Caltrans right-of-way, the City of San José prefers that Calpine make a financial contribution to the repairs rather than directly undertaking repairs to a public facility.

To avoid the uncertainty over who will be financially responsible for maintenance of the Highway 237 Bikeway in the future, the City of San José is currently negotiating a maintenance agreement with Caltrans for future, long-term maintenance. Historically, no agency has executed a maintenance agreement for the Hwy 237 Bikeway.

New Contact Information:200 E. Santa Clara St., 8th Fl., San José, CA 95113-1905 • Tel: 408-981-1200

PROOF OF SERVICE (REVISED 6/17/05) FILED WITH

ORIGINAL MAILED FROM SACRAMENTO ON 6/29/05

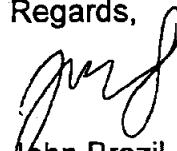
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Commissioner Pfannenstiel
Calpine Los Esteros Critical Energy Facility & Hwy 237 Bikeway
June 29, 2005
Page 2 of 2

Therefore, because the Bikeway was within the Caltrans right of way, the financial responsibility for maintaining this facility was undetermined.

While it is not possible to set a precise schedule for repairs of the Bikeway, the City anticipates undertaking these repairs within the next 6 months.

Regards,



John Brazil
Bicyclist & Pedestrian Program Coordinator
City of San José

Copy: Yves Zsutty, Trails Program Coordinator, City of San José
Rich Buikema, Senior Planner, City of San José
Bob Eller, California Energy Commission
Rick Tetzloff, Calpine

New Contact Information:

200 E. Santa Clara St., 8th Fl., San José, CA 95113-1905 • Tel: 408-975-3207 Fax: 408-292-6093

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION
FOR THE LOS ESTEROS CRITICAL
ENERGY FACILITY, PHASE 2
(LOS ESTEROS 2)**

DOCKET No. 03-AFC-2

(Revised 6/17/05)

PROOF OF SERVICE

I, **Keith A. Muntz**, declare that on **June 29, 2005**, I deposited copies of the attached **City of San Jose's letter regarding Highway 237 bikeway** in the United States mail at Sacramento, CA with first class postage thereon fully prepaid and addressed to the following:

DOCKET UNIT

Send the original signed document plus the required 12 copies to the address below:

CEC DOCKET UNIT
Attn: Docket No. 03-AFC-2
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

In addition to the documents sent to the Commission Docket Unit, also send individual copies of any documents to:

APPLICANT

Calpine
Rick Tetzloff, Project Manager
700 NE Multnomah, Suite 870
Portland, OR 97232

Steve De Young
Environmental Manager
4155 Arbolado Drive
Walnut Creek, CA 94598
steve4155@astound.net

COUNSEL FOR APPLICANT

Ellison, Schneider & Harris LLP
Greg L. Wheatland
2015 H Street
Sacramento, CA 95814
glw@eslawfirm.com

INTERESTED AGENCIES

San Jose Dept. of City Planning and
Building Code Enforcement
Richard Buikema, Sr. Planner II
801 N. First Street, Room 400
San Jose, CA 95110
rich.buikema@ci.sj.ca.us

County of Santa Clara Planning Office
Bob Eastwood
County Government Center
70 West Hedding Street
East Wing, 7th Floor
San Jose, CA 95110-1705

Santa Clara Valley Water District
Luis Jaimes
5750 Almaden Expressway
San Jose, CA 95118-3686

California Air Resources Board (CARB)
Michael Tollstrup
Project Assessment Branch
P.O. Box 2815
Sacramento, CA 95812
mtollstr@arb.ca.gov

William DeBoisblanc, Director Permit
Services
Bay Area Air Quality Mgmt. District
939 Ellis Street
San Francisco, CA 94109

Regional Water Quality Control Board
(RWQCB)
Judy Huang
1515 Clay Street, Suite 1400
Oakland, CA 94612
jch@rb2.swrcb.ca.gov

City of San Jose
Environmental Services Department
Municipal Water System Division
3025 Tuers Road
San Jose, CA 95121

INTERESTED PARTICIPANTS

Cal-Independent System Operator
Jeff Miller
151 Blue Ravine Road
Folsom, CA 95630
jmiller@caiso.com

Electricity Oversight Board
770 L St., Suite 1250
Sacramento, CA 95814

Doug Davy
Sr. Project Manager
CH2M Hill
2485 Natomas Park Dr., # 600
Sacramento, CA 95833
ddavy@ch2m.com

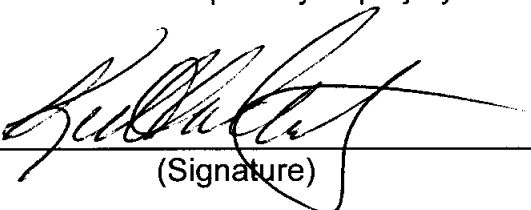
INTERVENORS

*** CURE**
Marc D. Joseph, Esq.
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
mdjoseph@adamsbroadwell.com

Californians for Renewable Energy, Inc.
(CARE)
Michael E. Boyd, President
5439 Soquel Drive
Soquel, CA 95073
michaelboyd@sbcglobal.net

Californians for Renewable Energy, Inc.
(CARE)
Robert Sarvey
501 W. Grantline Road
Tracy, CA. 95376
sarveybob@aol.com

I declare that under penalty of perjury that the foregoing is true and correct.


(Signature)

INTERNAL DISTRIBUTION LIST

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Hearing Officer
MS-9

Bob Eller
Project Manager
MS-15

Dick Ratliff
Staff Counsel
MS-14

Margret J. Kim
Public Adviser
MS-12